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SIPDIS

SENSITIVE

NSC FOR SENIOR AFRICA DIRECTOR J. FRAZER  
LONDON FOR C. GURNEY  
PARIS FOR C. NEARY  
NAIROBI FOR T. PFLAUMER

E.O. 12958: N/A

TAGS: [PGOV](#) [ZI](#)

SUBJECT: PARLIAMENTARY AGENDA HOLDS FEW SURPRISES -  
LIMITATIONS ON FREE EXPRESSION AND ECONOMIC DECLINE TO  
CONTINUE

REF: A. HARARE 1311

[1B](#). HARARE 874

[1C](#). 02 HARARE 2545

[11](#). (SBU) Summary. The Fourth Session of Parliament promises to be much the same with the GOZ intent on legislation that further stifles dissent, free speech, NGOs, and private sector initiatives. President Mugabe's economic agenda, which he presented during the July 22 Parliamentary opening day ceremony, is fantastical, given the prevailing economic conditions, and will do nothing to reverse the downward economic spiral. End Summary.

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No Surprises in ZANU-PF Parliamentary Agenda  
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[12](#). (SBU) The Fourth Session of the Fifth Parliament opened July 22 with a speech by President Robert Mugabe in which he proposed seventeen new bills ZANU-PF would like to pass through Parliament. Several of these new pieces of legislation would imperil economic recovery, curtail free speech more, and impinge on civil liberties.

Still Trying to Get NGOs

[13](#). (U) ZANU-PF has proposed the Non-Governmental Organizations Bill, which seeks to ensure the operations of Non-Governmental Organizations(NGOs) are consistent with and supportive of government policies and programs. It expands the definition of NGOs to include trusts. In September 2002, the Government required NGOs to register with the Ministry of Social Welfare, in compliance with the Private Voluntary Organizations Act, or they would have to cease operations. Several ministers asserted that organizations that were not required to register because they did not fit the definition of an NGO, such as Amani Trust, Zimbabwe Democracy Trust and Southern Africa Media Development Fund, were not properly registered and engaged in activities intended to unseat the government. (See Reftel C).

No More Parliamentary Boycotts

[14](#). (U) The Privileges Amendment Bill seeks to amend several Acts of Parliament to punish MPs who boycott, interrupt, or walk out on a Presidential address to Parliament. The offending MP would be subject to a fine equivalent to six months, salary. The bill would also afford more protection to judges against arrest or search in court premises where they are judges.

More Land for the Taking

[15](#). (U) The Land Acquisition Amendment Bill seeks to speed up the remaining process of acquiring the remaining designated land. Mugabe's speech did not make it clear if the legislation would sanction his supporters who have abused the land redistribution for personal gain.

Indigenization Campaign Continues

[16](#). (U) The Indigenization Bill would ensure that companies allocate at least twenty percent of shareholding to workers. The Mines and Minerals Act also seeks to make it easier for small-scale indigenous miners to participate in the industry.  
(Note: Although the bill has yet to be introduced, GOZ officials in Mutare have already sent a letter to local industrialists instructing them to list how they would comply with the 20 percent requirement. End note.)

A New Fund to Help Poor

[17](#). (SBU) The Posts and Telecommunications Act will set up a fund to ensure telecommunication and postal services are

available to the rural population at reduced prices.  
(Comment: This new fund will most likely not help the rural population obtain low-cost phone and postal services unless it is designed as an urban (opposition stronghold) subsidy for rural areas (ZANU-PF constituency). It will probably be another source of funds for the GOZ to tap for other purposes. End comment.)

#### Unfinished Business

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**18.** (U) In addition to these items, Parliament will resume debate on the Citizenship Bill and Electoral Bill, which both received adverse reports from the Parliamentary Legal Committee (see Reftels A and B). In addition to debate on these two bills, Parliament is likely to debate the expulsion of Zengeza MDC MP Tafadzwa Musekiwa, who has missed more than the constitutional limit of 21 consecutive days of Parliament.

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Economic Plan = Recipe for Destruction

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**19.** (SBU) Mugabe's economic recovery ambitions are not based on reality, or any concept close to this. The projects and policy solutions he proposed in his speech are not based on visible economic principles and ignore the role government has played in creating the current disastrous economic situation. Mugabe expressed incredulity that basic goods such as milk, bread, and vegetable oil reappeared after price controls were effectively lifted and prices rose to market rates, and then said the GOZ must strengthen price-monitoring mechanisms while simultaneously encouraging companies to increase capacity utilization. The objective of this strengthening exercise is supposedly to make consumer goods more affordable but the two objectives are antithetical, as the recent history of price controls and production shows. In another example of economic ignorance, Mugabe seemed to advocate stronger government interference in the production process when he proclaimed that the main challenge to economic revival was the provision of adequate means, production targets, and technical assistance.

**110.** (SBU) Mugabe blamed the shortage of foreign exchange in the economy on a weak monetary authority and unclear monetary policies that allowed abuse of earnings and speculative activities, but he did connect these poor monetary policies with the crack-brained ZANU-PF government policies that were the root cause. He also blamed the unethical practices of financial institutions, mining houses, and individual exporters for the country's problems. To curb these practices, Mugabe said the GOZ would introduce an Anti-Corruption Commission Bill to stem the outflow of foreign exchange through over or under invoicing, discount pricing, advance payments to foreign suppliers of raw materials, and smuggling of precious metals. Mugabe also proclaimed that interest rates must be brought down to create real wealth, even though real interest rates are already negative, but never addressed the spiraling inflation rate.

**111.** (SBU) The grandiose economic recovery plans presented in Mugabe's speech are not feasible in the prevailing economic environment, especially given the GOZ's lack of foreign exchange. Mugabe told Parliament that the GOZ would continue construction on ongoing dam projects and begin at least two new ones. He also indicated that the GOZ would rehabilitate existing smallholder irrigation schemes and construct at least two medium irrigation schemes per province (at least 16 projects). He did not explain how the GOZ would pay for these initiatives.

**112.** (SBU) Mugabe said the GOZ would strive for self-sufficiency in the energy sector. He cited an infeasible memorandum of understanding between the Zimbabwe Electricity Supply Authority (ZESA) and the Mozambique government for ZESA to take up equity in Mozambique's Hydro Caborra Bassa (HCB). (Note: The Mozambique Government reportedly owes Portugal a large sum for HCB costs and wants to sell a percentage of the dam. End note.) However, the GOZ cannot buy a percentage of the HCB because they have not foreign exchange. Mugabe hinted at a liberalization of the fuel sector through a dual price structure even though a dual price structure requires huge subsidies and is open to abuse. He also proposed an ambitious Gaseous Hydrocarbons Bill that would provide for exploration, production, importation, transportation, distribution, and utilization of coal-based gaseous products and natural gas for economic development, even though the GOZ has no way to financial support such efforts and it is inconceivable that foreign investors would risk a significant up front investment in the prevailing business climate.

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No Ratification of Counterterrorism Protocols

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13. (SBU) Contrary to what Zimbabwe has led the U.N. Security Council's Counterterrorism Committee to believe, ratification of the UNSCR 1373 is most likely not on Parliament's agenda. Mugabe did not mention this, and neither ZANU-PF nor MDC MPs with whom we spoke were aware of the need for this action. (Note: The executive office typically sets Parliament's agenda and proposes legislation. End note.) PolOff,s attempts to confirm whether the item is on the parliamentary agenda with Parliament's clerk were futile. Nonetheless, the Money Laundering and Proceeds of Crime Bill, which seeks to establish an anti-money laundering authority to monitor any persons suspected of money laundering and provides for the confiscation of ill-gotten gains of crimes, may be a move toward implementing sections of UNSCR 1373. It is perhaps the one bright spot in an otherwise dim legislative agenda.

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Comment  
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14. (SBU) Mugabe,s speech gives a preview as to what Parliament will do in the next session, particularly since most bills come from the executive through the ministries. If passed, the proposed legislation would maintain the status quo, and Zimbabwe would in all likelihood continue along the path of international isolation and condemnation and economic decline. The economic development and recovery plan Mugabe proposes can be summarily dismissed because the GOZ does not have the wherewithal to fund any of these initiatives, refuses to accept basic economic principles, and ignores the reality on the ground. End comment.  
SULLIVAN